

**LEGAL AFFAIRS**400 R STREET, SUITE 3090
SACRAMENTO, CA 95814-6200***Legal Guide W-10*****OVERVIEW OF CALIFORNIA'S
HEALTH STUDIO SERVICES CONTRACT LAW****September 1993**

The California health studio services contract law, adopted in 1961, applies to all contracts for health studio services.¹

Health studio services include instruction, training or assistance in physical culture, body building, exercising, reducing, figure development and other similar skills; the use of a health studio, gym or other facility for any of these purposes; and membership in any group formed for any of these purposes. However, services furnished by persons licensed in the healing arts, by nutritionists and by schools operating under the California Education Code are not subject to this law.²

All health studio contracts must be in writing. They must bear the name and address of the seller, as well as the date on which the buyer signs. A copy must be given to the buyer upon signing the contract.³ The duration of the contract may not be measured by the life of the buyer, and may not exceed three years; in other words "lifetime" contracts are prohibited.⁴ The contract may not require payments for more than three years, and it may not require payments in a total amount exceeding \$1,000, exclusive of finance charges.⁵

The contract must contain a provision that gives the buyer a three-day right to cancel the contract. This language must appear on the face of the contract, and in close proximity to the buyer's signature. If the buyer cancels, all payments must be refunded within 10 days.⁶

A contract also must contain a provision that gives the buyer the right to cancel in the event of the buyer's death or disability,⁷ and a provision that gives the buyer the right to cancel if the buyer moves more than 25 miles from the facility.⁸ If the buyer cancels by reason of death, disability or a move, a prorated portion of any amount prepaid must be refunded; but if the basis of the cancellation is a move, a cancellation fee of \$100 (or \$50 if more than half the contract life has expired) may be charged.⁹

If the facility is not already operating when the contract is signed, the contract must state when the facility will be opened. The facility must open within six months of the date when the contract is signed.¹⁰

If a contract does not comply with the health studio services contract law, the seller is liable to the buyer for three times the amount of any resulting damages plus a reasonable attorney's fee, and the contract is also void and unenforceable, and subject to cancellation.¹¹ However, any failure to comply with the health studio services contract law can be corrected by the seller within 30 days after the buyer signs the contract, if the correction does not increase the periodic payments or the total payable by the buyer.¹² A health studio services contract also is void and unenforceable if the buyer is induced to sign the contract on the basis of any willfully false or misleading information, representation or advertising.¹³

If the buyer has a defense against any claim by the seller, the buyer can assert the same defense against any finance company or other assignee of the contract.¹⁴

This law does not relieve the seller of the duty to comply with other laws that may apply (e.g., the Unruh Act, if the contract is an "installment sale contract").¹⁵

Any attempted waiver by the buyer of any rights conferred by this law is void and unenforceable.¹⁶

NOTICE: We attempt to make our legal guides accurate as of the date of publication, but they are only guidelines and not definitive statements of the law. Questions about the law's application to particular cases should be directed to a specialist.

Prepared by:

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ENDNOTES

1. Civil Code sections 1812.80-1812.95.
2. Civil Code section 1812.81.
3. Civil Code sections 1812.82 and 1812.85(a)(2).
4. Civil Code section 1812.84.
5. Civil Code sections 1812.84 and 1812.86.
6. Civil Code section 1812.85(b).
7. Civil Code section 1812.89(a).
8. Civil Code section 1812.89(b).
9. Civil Code section 1812.89(b)(2).
10. Civil Code section 1812.85(a).
11. Civil Code sections 1812.85(b)(3), 1812.91 and 1812.94.
12. Civil Code section 1812.94(b).
13. Civil Code section 1812.91.
14. Civil Code sections 1812.87 and 1812.88.
15. Civil Code section 1812.90.
16. Civil Code section 1812.93.